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C O N F I D E N T I A L SECTION 01 OF 03 CAIRO 005467

SIPDIS

E.O. 12958: DECL: 07/18/2015

TAGS: PREL KPAL EG IS MASS OVIP MFO UNGA SUBJECT: VISIT OF NEA ASSISTANT SECRETARY WELCH TO EGYPT

JULY 15-16, 2005: MEETING WITH FM ABOUL GHEIT

REF: A. STATE 129634

¶B. STATE 124820

Classified by Charge Michael Corbin for reasons 1.4(b) and (d).

Summary

(C) NEA Assistant Secretary David Welch discussed Gaza disengagement, Palestinian security reform, and the Palestinian internal political situation with Foreign Minister Ahmed Aboul Gheit on July 16. A/S Welch also asked the GOE to support the U.S. position on both the Magen David Adom (MDA) matter and the Palestinian proposal to convene a Special Session of the UNGA to discuss the Israeli barrier. On Lebanon, A/S Welch asked that Egypt use its influence to press for a speedy formation of the new government in Lebanon. Aboul Gheit expressed his concern that the Secretary has not yet sent a letter to Congress supporting

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the continuation, without change, of Egypt's Foreign Military Funding (FMF), which he characterized as inappropriately under threat. Discussion of Radio Sawa reported septel. End summary.

Participation

NEA A/S David Welch met with Foreign Minister Ahmed Aboul Gheit on July 16, 2005. Charge d'Affaires Michael Corbin, NSC Director Herro Mustafa, and Embassy notetaker accompanied the A/S. Other GOE officials joining the meeting included Assistant to the Minister for the Americas Shadia Farrag, First Secretary Mohammed Abulkheir, Counselor for Press Ahmed Ezzat, Counselor for Arab Affairs Alaa al Hadidi, Counselor for the Peace Process Ali Erfan, Desk Officer for North America Walid al Fiqqi, and the Desk Officer for Palestinian Affairs Randa Labib.

Gaza disengagement

- 13. (C) Palestinian-Israeli coordination on Gaza disengagement is strong, A/S Welch said, noting that although the two governments have not made even basic decisions, they have narrowed the range of options under consideration. Of the priority agenda items, the issues of housing and general assets will be the easiest to resolve, A/S Welch predicted. Israel wants to destroy settler housing and plans to do so quickly, but removing the debris presents a challenge because it would require the Israelis to stay in Gaza longer than they would like. However, having the Palestinians remove the debris also creates problems, A/S Welch noted, because any material that cannot be used would have to be trucked into A/S Welch confirmed that Israel does not want 30-60,000 Palestinian trucks entering its territory. As for productive assets, such as greenhouses, A/S Welch speculated that either settlers will remove and destroy them or people will realize their use and jobs will be saved by use of a third party.
- (C) Aboul Gheit asked whether it is possible to use the housing debris to expand coastline development into the sea, as several Gulf countries have done. According to A/S Welch, the Palestinians are considering using the rubble for a harbor, but environmental and material quality concerns are potential obstacles. Aboul Gheit mentioned, but did not elaborate on, the possibility that disposal could be handled by a private contractor. Although he commended the USG for engaging in the peace process after a long period of showing little interest, Aboul Gheit stressed the importance of looking beyond disengagement so that the process does not stagnate. "We cannot give Palestinians in Gaza fruit while offering salt to those in the West Bank," he cautioned. Aboul Gheit further warned that the West Bank may erupt, when the Israelis react, sympathizers in Gaza could spur violence there as well. The U.S. must, Aboul Gheit suggested, consider how it will respond in such a situation.

15. (C) The extent to which Gaza will be open will be the most difficult issue to resolve, A/S Welch said. Passages and ports (sea and air) are still under debate. On border crossings, the Foreign Ministry's desk officer for Palestinian Affairs, Randa Labib, noted that Israel's position - wanting three of the five crossings on the barrier - conflicts with the Word Bank's position. A/S Welch stressed that the USG supports the World Bank view with respect to the crossings. As for connections to the West Bank, A/S Welch said the USG is prepared to help, but there needs to be an immediate fix. Making crossings more efficient for both people and cargo will be key, A/S Welch and Aboul Gheit agreed.

## Palestinian internal politics

- 16. (C) On the internal political situation, A/S Welch said there is a strong sense of rivalry among Palestinian groups, and while Abu Mazen is well-intentioned, he is not particularly strong. A/S Welch noted that the Palestinian Islamic Jihad is reportedly launching attacks to disrupt negotiations with the GOI. Abu Mazen will not, A/S Welch explained, back away from the principle that there should be one Palestinian Authority. He added that most Palestinians appear to want a stronger central government. Moreover, it is significant, A/S Welch pointed out, that the Palestinian Authority responded forcefully when Hamas provoked violence during Abu Mazen's recent visit to Gaza. A/S Welch emphasized that the USG is advising Israel not to engage militarily, and said the Israelis have pledged to restrain themselves unless they feel under imminent threat or anticipate an outbreak of violence. Otherwise, A/S Welch elaborated, Prime Minister Sharon and Israeli Defense Minister Mofaz have committed not to respond and will press forward with disengagement.
- 17. (C) Aboul Gheit said his primary concern arises from the fluid nature of the Palestinian situation. The danger, he opined, is that the Israelis will be stressed to the extent that they then put Abu Mazen in a difficult position. The most difficult times are coming, according to Aboul Gheit, because Palestinian internal politics could effect post-disengagement posturing, as different groups attempt to take credit for the victory.
- 18. (C) Reform of the Palestinian security forces is another key agenda item, A/S Welch said. The USG is gathering the international community to support this effort, and while the response has been good, A/S Welch said, a contribution from Egypt would be appreciated. A/S Welch noted that although discussions with Israel are continuing regarding the provision of lethal assistance; the Israelis are facilitating other forms of assistance. When Aboul Gheit asked what kind of assistance the international community has pledged, A/S Welch promised to forward this, observing that the Palestinians need everything from uniforms to beds.

## The Israeli barrier

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19. (C) A/S Welch explained the USG view (Ref A) that convening a Special Session of the UNGA to discuss the Israeli barrier would be counterproductive at this time. The dialogue is ongoing, A/S Welch stressed, and the Special Session would add nothing but momentary international attention. Agreeing with A/S Welch, Aboul Gheit said the Palestinians are pressing this simply to evoke a reaction. Without speculating as to the likelihood of success, Aboul Gheit confirmed that he has been discussing this issue with the Palestinians and promised to "keep working" on it.

## Magen David Adom

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110. (C) A/S Welch asked for GOE support on the MDA matter (Ref B), urging Aboul Gheit not to politicize a humanitarian issue. Disagreeing with A/S Welch, Aboul Gheit stressed that that the issue is not purely humanitarian and emphasized "nothing is for free." He then noted that he had offered GOE support on the condition that the Israelis agree not to use the MDA symbol in the Palestinian territories or East Jerusalem. The Israelis refused this condition. Aboul Gheit underscored that the GOE is locked into the position agreed upon at the OIC summit in Sanaa and will not take the lead in proposing a change. If, however, the discussions progress, Aboul Gheit said the GOE will not obstruct them.

111. (C) A/S Welch noted that the GOE still had not responded to the request to approve an MFO budget contribution of \$19 million for FY06. He noted that Israel and the U.S. had agreed to the increase and Egypt alone had yet to act. Aboul Gheit asked about progress with securing contributions from other donors, and A/S Welch advised that while this has been productive, the moderate increase requested from Egypt, Israel, and the U.S. is essential to the mission. Aboul Gheit appeared to appreciate the need to respond.

Foreign Military Funding

- 112. (C) Aboul Gheit expressed displeasure over Secretary Rice's failure to send a letter to Chairman Hyde supporting the continuation of Egypt's FMF package. He reminded A/S Welch that he raised this with the Secretary in Brussels. Aboul Gheit said he had advised the Secretary to "take it seriously" because the GOE feels "under fire." The nature of our commitment on military and intelligence matters and the fact that Egypt is both an ally and a friend, Aboul Gheit said, should make us "untouchable."
- 113. (C) Assistant Secretary Welch has cleared this cable.

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CORBIN